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**ADB / PARIS21 High Level Forum  
on  
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**Country paper for the  
ADB/PARIS21 High Level Forum on Statistical Capacity  
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**LAO P.D.R.**

**The Statistical System of Lao PDR**

**1. Background**

The statistical system of Lao PDR was initially built to serve the central planning system that was established after the revolution in 1975. The system was characterized by collection of primary data at local levels aggregated by the different administrative levels to national sector statistics. The system was decentralized in the sense that each ministry was responsible for statistics in its own field. Statistical units of 1-2 persons were assigned the task at ministry level, and at the provincial and district departments of the ministry. The State Planning Committee (SPC), through its planning units in provinces and districts, also compiled statistics received from sector ministry departments. At SPC the statistical department compiled national statistics received from the sector ministries. The statistical system in Lao PDR is still decentralized, and responsibilities are shared between several actors.

**2. Current organization of the statistical system**

**2.1. Producers of statistics**

*National Statistical Centre, NSC* is the central producer and collector of statistics. NSC produces statistics by conducting censuses, surveys and doing case studies. NSC is also collecting secondary data from line ministries and provinces.

NSC provide these data to planning department at Committee for Planning and Cooperation (CPC), Ministry of Finance, Bank of Lao, other ministries, projects, development researchers, students, companies, NGOs and international organizations. NSC is the coordinator of all official statistics in Lao PDR.

*Ministries* produce statistics in sectors of their responsibility. They can also provide data for other users: project developers and international organizations. Some ministries conduct ad-hoc surveys funded by donors. Some fund supporters or donors ask these

ministries to cooperate with, or require assistance from, NSC on technical and methodological issues.

Statistics in a ministry is a unit under department of planning and investment, or under department of planning and financing, or under department of economic research or under cabinet. The statistics unit is supposed to collect and compile data from all departments or branches under the ministry, but mostly this does not work very well. Each department under the ministry compile statistics concerning that department. Mostly these compile statistics only for internal use in the respective departments, without reporting to statistics unit responsible for the whole ministry.

Other departments under some ministries sometimes conduct surveys in their respective sector areas.

Ministry of Finance is responsible for revenue and expenditure statistics, external debt, import-export statistics and business registration listing. MOF is publishing the budget data annually through the Official Gazette.

The Bank of Lao PDR is responsible for compilation of Monetary and Financial Statistics (MFS) and of Balance of Payments Statistics.

The statistics system of Bank of Lao is described in Annex 1.

### Provinces

Statistics is a unit under planning department in each province (totally eighteen provinces). The function is collection of data from other provincial sector departments, collection of data from districts, village and business establishments or socio-economic entities, and to conduct field operation of surveys, implemented by NSC.

Some provinces are producers of statistics. They produce a statistical year book, and they publish CPI for their region. They can provide some basic data on local socio-economic development to users.

In the Districts, Statistics is under the planning office (the total number of districts is one hundred and forty two). There are 1 or 2 staff collecting data from villages and households. They also conduct field operation of surveys, implemented by NSC.

Other organizations and NGO's are not part of the statistical production system, they rather play a role on the user side, but some times they also conduct ad-hoc surveys to implement their project purpose, so they act as producers.

## **2.2 Human resources**

NSC now consists mostly of qualified staff, even if in an international perspective the staff is very few in number. The total number of statisticians being less than thirty people, who are able to implement surveys and censuses, and also are competent of doing some basic analyses. These people are also responsible for National Accounts, Price statistics, Population and gender statistics, Labor statistics, Foreign trade statistics and Poverty analyses. They also work with IT- questions, dissemination of statistics, and they provide training in statistics.

In the provinces there are 1-2 statisticians, in most provinces there are also 2-3 staff with middle level education and some training in basic statistics. District staffs usually have middle level education with some training course on statistics. In some ministries there are 1-2 qualified staff.

Some province, district and some ministerial staff need training in statistics. All provincial, sectoral, and all departments under ministries other than planning department, need training on basic statistics. One problem is that the number of statistics staff in some provinces and districts and in some ministries is too small. Some ministries, as ministry of labor and welfare, ministry of culture and ministry of finance, have no statisticians that can compile statistics under that ministry.

### **2.3 Legal framework**

The functions and responsibilities of NSC are defined in a new statistical decree, approved in August 2002. The decree also defines the role of the statistics organization under ministries, provinces, districts etc.

The decree defines the task for NSC being to collect, compile, process, analyse and report official socio-economic statistics. It also states that NSC is the center for coordination among various agencies responsible for statistics in different sectors and regions.

However, with the very limited number of staff, it will be very difficult for NSC to fulfill the important role as coordinator.

## **3. Production of statistics**

### **3.1 General**

The production of official statistics has improved markedly and changed direction during the last ten years, partly, as a result of the institutional co-operation between NSC and Statistics Sweden (further described in section 6). The bulk of statistics is still produced through the traditional system, the so called reporting system. This statistics is published in the annual NSC-publication "Basic Statistics" and in sector reports by some ministries. However, a qualitative improvement has been achieved, by the firm establishment of sound statistical methodology and the introduction of the sample survey approach, by the NSC.

### **3.2 The population statistics system**

The population statistics system with decennial censuses and intermittent demographic surveys is a strong pillar in the Lao system of official statistics. The 1995 population census will be followed by the 2005 census. In 2000 the Reproductive Health Survey (UNFPA sponsored) provided a head count and estimates of fertility and mortality. There might be a need to cater for data on internal and external migration, for calibration of population projections as well as for current analysis. The planned household survey program must be able to support these issues.

On the whole the system of population statistics is well established in the Lao official statistics.

### **3.3 The social statistics system**

Social statistics is mainly the responsibility of the sector ministries, while the NSC concentrates on its household survey program to collect the more direct social indicators in the sectors of social concern.

There are a number of surveys conducted: the UNICEF Multi-Indicator Cluster Survey (MICS) conducted in 1996 and 2000, the UNFPA Birth spacing survey from 1994 and Reproductive health survey from 2000, the Village Book project (at the instigation of

UNDP) and the LECS (Lao Expenditure and Consumption Survey) survey approach (NSC). There has been very little of coordination (if any) between the surveys, as each donor is only interested in his specific area.

The NSC has participated in international meetings to identify a list of social concerns and indicators that could be defined as a “core” list to guide countries in their efforts to build up a system of social statistics, particularly indicators on health and education.

The LECS system is a multi-purpose survey approach. The third LECS is conducted in 2002/03. The LECS III is not designed as an annual survey, the scope and contents are too large for that, but there is a plan to conduct an annual household survey. The annual survey program will be implemented from year 2003.

Based on results from different surveys and other data sources, NSC in collaboration with UNDP has prepared the first National Human Development Report (NHDR) in 1998. The second NHDR has been drafted, by many authors from different government agencies. NSC has contributed to the report with one chapter..

### **3.4 Statistics on poverty**

NSC, with assistance from Statistics Sweden, ADB and WB, has derived a set of poverty statistics for 1992/93 and 1997/98, defining evaluation and monitoring criteria for poverty monitoring at household, village and district level.

A draft Notification (no 10) has been set up outlining the statistical reporting to be used at all levels.

Beside the quantitative analyses of poverty, Lao PDR now has received technical assistance on Participatory Poverty Approach (PPA) from ADB. This project aims at building up the capacity of monitoring and evaluation of the poverty situation in combination with the quantitative assessment. This approach explores the potential offered by methodological complementary to enrich the poverty profile, descriptions and understanding of the nature of poverty, and give more substantial causal explanations that can generate better poverty reduction strategies.

### **3.5 The economic statistics system**

In the field of economic statistics the Systems of National Accounts (SNA93) is supposed to function as a coordinator of all economic statistics. In principle the system consists of a coherent, consistent and integrated set of macro-economic accounts, balance sheets and tables based on a set of internationally agreed concepts, definitions, classifications and accounting rules. Economic statistics should be based on time-series and estimates of changes are of significant importance. By this it also follows that timeliness in addition to relevance and accuracy is a prerequisite.

#### **3.5.1 National Accounts**

The Lao National Accounts are, however, at the moment rather primitive, and do not reach international standards. The main problems being lack of basic data of acceptable quality, and limited human resources at NSC, who is responsible for the calculation of National Accounts. Efforts have been made to develop the Lao National Accounts according to SNA 93. A benchmark estimate of the GDP by production and expenditure side was developed for 1997 and an experimental I/O table compiled for the same year.

More development work is now in progress, and new time-series will be compiled before the new calculations are published in 2004, according to plans.

### **3.5.2 Price statistics**

As a means to improve National Accounts the Consumer price index is now produced and published on a monthly basis. The index is also developed to cover a wider geographic area, and is now covering eight provinces. Collection of prices on building materials has started, although index not yet published. A Producers price index is under development, gathering of price information will start from 2003.

### **3.5.3 Enterprise statistics**

Up to now there has been no system of regular enterprise statistics, but only intermittent surveys. The National Accounts have been compelled to use information from the reporting system, which has not been able to give sufficient information. A system of quarterly and annual Enterprise surveys is now under development and will be introduced from 2003.

### **3.5.4 Other sources for National Accounts**

The household survey system (the LECS surveys, and the planned annual surveys) is another important source for the improved National Accounts.

Efforts have also been made to improve trade statistics in order to facilitate the development of the National Accounts, but so far with limited effect.

## **3.6 Surveys**

Through the support from SIDA a number of ground breaking surveys have been conducted by NSC, such as:

- Lao Household Expenditure and Consumption Survey (LECS I), 1992/93
- Lao Social Indicator Survey, 1992/93 (LSIS)
- Population census, 1995
- Enterprise survey, 1997
- Lao Household Expenditure and Consumption Survey (LECS II), 1997/98
- Agricultural census, 1998/99, in co-operation with the Ministry of Agriculture
- Enterprise survey, 2001
- Lao Household Expenditure and Consumption Survey (LECS III), 2002/03

Other surveys conducted by the NSC with support from other donors are:

- Population Census, 1985, UNFPA
- Yield Crop Cutting Survey 1986, FAO
- Fertility and Mortality Multiple-Round Survey 1988-1991, UNFPA
- Population Head Count, 1990, UNFPA
- Enterprise Survey, 1992, ADB
- Fertility and birth spacing survey, 1994, UNFPA
- Rice crop cutting survey, 1994, FAO
- Multiple indicator cluster survey, 1996 and 2000, UNICEF
- Opium production survey, 1992, 1994, and annually from 1996 to 2002, UNDCP
- Survey of social impact of Asian crises 1998, WB
- Survey on attitude of women on gender issues, 1998, Norway

- Survey on food habits, 1999, IDRC
- Adolescence survey, 1999, UNICEF, UNESCO
- Primary health care survey, 1999 with support from Denmark
- Reproductive health survey, 2000, UNFPA

NSC has also participated in Poverty Participatory Assessment, 2000 and in Poverty Monitoring 2001-2002, ADB

### **3.7 Publications**

- Year book on socio-economic development of Lao PDR
- Survey and census reports
- Some research reports
- Some sector(ministry) reports
- Monthly CPI report

## **4. Quality of statistics**

Although the Lao official statistics has strengths, it still suffers from a wide range of weaknesses.

A national statistical system of international standard should be capable of producing relevant, timely and accurate statistics that cover essential areas of policy making. Although substantial progress has been made the last years, the situation today is far from meeting these requirements.

The reporting system used by the line ministries is based on reports from units sorting under the respective ministries. In sectors where the data collection emanates from units within the sector itself, like education and health, the reporting system actually consists of administrative data (number of schools, hospitals, teachers, doctors, etc.), which can be used to extract statistical information. In these areas the quality can be said to be sufficient.

However, the reporting system used by line ministries to measure variables not directly emanating from within the sector itself, i.e. from enterprises and households, suffers from a number of weaknesses. The quality in terms of accuracy is widely regarded as low, and this has been confirmed by various studies. The cumbersome methods used for compilation and reporting, frequently contribute to low quality and delay in compiling aggregates. In contrast to the system within education and health, the data are aggregated when they arrive to the ministries, which severely limits the analytical value of the data. The untimely production also reduces the usefulness of the statistics.

The reporting system is not capable of providing coverage of several important areas. Especially short term trends are impossible to capture. Neither can ad hoc surveys provide this information, because of the irregularity in conducting such surveys. This weakness is especially felt in the economic field in areas like business development, household economy and poverty, labor market, agriculture, and foreign investments.

The low level of, or lack of, standards regarding methods and systems for classification of data also contribute to low quality of aggregated data and hampers the possibilities to

make comparisons between sectors and regions and to establish reliable time series. International standards are still to be established in many areas, in particular as regards statistics required for National Accounts.

Considerable work has been done to identify strengths and weaknesses in statistics produced by line ministries. Assessment studies have been conducted in the areas of transport, health, labor and gender.

A sample survey system capable of producing socio-economic statistics on a regular basis is yet to be established, although the need is recognized. The reason for lack of such a system is to be found in the lack of adequate resources in terms of capability and capacity. The build up of capacity of NSC through the various ad hoc surveys and the development of professional competence has absorbed the available staff. The issue has however been addressed and a foundation is now laid for further development in producing statistics on a regular basis. According to plans, an annual household survey, and an annual enterprise survey will be introduced from 2003.

## **5. Demand and use of statistics**

### **5.1 General demand**

Demand for statistics has traditionally been a function of plan formulation in the centrally planned system. The main users of statistics have been, and still are, the different governmental bodies at central and regional levels. Demand from business, academia and the general public has been limited.

The development of the national economy through the transition to a market oriented economy, integration into the regional economic cooperation and intensified development cooperation has gradually changed the need for statistics. Economic and social statistics, of international standards, have become increasingly demanded by Government and international organisations, and also by academia and the business community. In particular statistics concerning economic growth (National Accounts), household economy, poverty, labour market, gender and emerging sectors like tourism and foreign investments have developed into priority areas.

### **5.2 Availability of statistics**

The availability of statistical information is far from satisfactory. The only regular publications by NSC is the annual Basic Statistics and the monthly CPI. Survey reports are also published. The sector ministries publish sector statistics but not always regularly. The low availability of statistical information for wider consumption is not only a matter of capacity and capability to compile, publish and disseminate statistical information. It is also a matter of appreciation on the part of the producers of statistics of the benefits of disclosing statistical information. Traditional attitudes favoring secrecy before openness also play a role. The weak demand for statistical information from other users than directly concerned government offices weakens the incentive for producers to publish and disseminate statistical information.

The need to establish a master publication plan for official statistics is therefore identified, but has not yet been fully recognised by the various stakeholders in Government.



### **5.3 Use of some survey statistics**

#### **5.3.1 Agriculture Census**

The 1998/99 Agricultural Census has been one of the main achievements in terms of statistical outputs in the last years. The Census was planned and produced according to the original plan. In terms of costs it was less expensive than estimated. It was produced as a joint product between NSC and Ministry of Agriculture and Forestry (MAF), and sponsored by Sweden (SIDA).

The development of a major statistical project such as an agricultural census is a complex task, technically and managerially, and outside assistance with the production (as well as financing) was necessary, mainly due to lack of experience in the subject matter area under study.

In the analysis of the results some comments were made related to the acceptance of the results, which is a relevant question as the existing official statistics are compiled using reports from districts and provincial agricultural offices. The census figures on livestock were generally accepted although they were significantly lower than the official figures.

For the rice area statistics the census figures caused some concern. The official data from other sources (the reporting system) showed a large increase in dry season rice plantings in recent years because of heavy investments in irrigation facilities, with a corresponding decrease in upland cultivation because of controls on slash-and burn methods. The census results suggested that the reported changes might be over-stated. The MAF was able to rationalize the upland figure because it included permanent and rotational cultivation. However, the dry season figure was more difficult to accept but it seems the results were finally accepted.

This means that the results are not only accepted and has been, and will be, used quite intensively. The census has also resulted in a lengthy discussion about the quality of agricultural statistics in general and the weaknesses of the current reporting methods. Although the census did not encompass any production data, it nevertheless pointed out some of the problems in estimating agricultural production.

Whether the agricultural census will provide changes in the ongoing agricultural statistics system remains to be seen.

To summarize: The census was successfully completed, and resulted in lengthy and healthy discussions on the inconsistencies in the official statistics. This process has not yet put any marks on how to improve or modify the statistics, or to set up a plan for implementing a system of agricultural statistics based on surveys as well as on existing methods.

#### **5.3.2 The Lao Expenditure and Consumption Survey (LECS II)**

The LECS II was successfully implemented and completed, and provided further experience in survey planning, sample design and analysis. The data has been used extensively

The results from the LECS II as they emerged, caused a lot of activities in poverty alleviation. The NSC produced reports on poverty, nutrition and time use. NSC has also produced a report on household savings using data from the survey. NSC organized a workshop to discuss survey results and it also presented analysis of results (e.g. on time use) in a workshop abroad.

The LECS II and its following debates and considerations in particular on poverty were a boost for the NSC and the statistical system in general. It must be regarded as a success and a great experience for the NSC.

However, there are not so much thoughts given to how household surveys should be implemented into a statistical system. This is not so astonishing as it may seem, as there is a large discrepancy between what the NSC has (manpower) capacity to do, and what users (in particular international organizations and donors) would like to have. Anyhow, discussions have started on how to formulate such a system. The main problem to solve, is not the scope and contents of a regular household survey system, but how it should be designed for NSC to be able to conduct with its own resources.

## **6. Role of the international community in supporting national statistical capability, experiences of the Lao P.D.R.**

### **6.1 Different means of support**

Many developed countries have a long tradition in compilation of statistics. Therefore it is important that countries with less experience in statistics can learn from the more experienced countries. In our opinion the international community here has an important role to support capacity building.

Support to capacity building must be given using different means. The most important being transfer of knowledge.

A second mean is to provide technical assistance in form of advisors in place to help with planning, analyses etc.

There is also a need for help for funding of big costly surveys and of infrastructure, as it usually is very difficult for a poor country to find funding for such investments from its own budget.

### **6.2 Lao experience of support to statistics.**

I organizations: UNDP, UNFPA, ADB, UNICEF, UNESCO, WB, ILO, IMF.

In Lao PDR we have a now many years of experience in cooperation in the statistical area. After revolution 1975, the government established decree 127/PO to manage statistics system. In that period, the staffs were 8-9 persons. In the period 1978-1982, planning system contributed from central to the local units and enterprises of course all enterprises were state owner, so statistics played a function of role to evaluated the implementing distributed plan, therefore statistics was strong collected data and control planning figures by reporting system. Reporting system forms were assisted by Vietnamese experts.

From 1982-1985, assistance by Soviet Union in technical and human development. Statistics staffs were 15-17 persons. In that time statistics worked as control the evaluation plan aspect. From 1985-1991, the country meet the transitional economics and

statistics began work and supported from international organization: UNDP, UNFPA, ADB, UNICEF, UNESCO, WB, ILO, IMF,....

Since 1992 up to now the statistical office, National Statistics Center (NSC) has been supported by UN Organizations, ADB, WB, IMF....and especially, the Swedish International Development Agency (SIDA) in implementing a project, which aims to strengthen the capacity at NSC and promote the country's capability to produce official economic and social statistics.

In addition to that project several other international organizations or agencies like UNFPA, UNICEF, UNDCP have funded special surveys or research in different subject matter areas. Some organizations (for example UNDP, ESCAP, SIAP, IMF,FAO) have provided training in different areas, or provided funds for computer equipment. From the assistance, Lao statistics have produced quite some output, as listed in section 3 of this paper (Production of statistics) and it's knowledge of basic statistics has improved substantially. The experience of field operations in provinces and districts has also improved the statistical system and laid a foundation to develop the Lao tiny statistical system to be more sustainable. The main achievement however is the enhanced capability in all areas of statistics.

### **6.1 The long-term cooperation between Lao PDR and Sweden**

The support to NSC, was initiated by a request from the Lao Government to SIDA in 1990. In response, SIDA contracted Statistics Sweden for an exploratory mission to prospect the possibilities of launching a co-operation project between the Lao statistical agency (SSC by that time) and Statistics Sweden.

After discussions with representatives from SIDA , the SSC (State Statistical Center, now NSC) and the Ministry concerned, it was agreed that there was a need for support to the total statistical system of the LAO P.D.R. , which was preferred prior to minor support in limited subject matter areas.

The project started in 1992, the first project period covering two years. The project has then been extended three times, in 1994, in 1998 and in 2001. Each extension has been preceded by an independent evaluation, carried out on behalf of SIDA. The present project phase expires in December 2004. It is agreed that this will be the final phase of the project under the present arrangements.

### **6.2 Objectives for the cooperation**

The ultimate objective on a national level for the project has been to support the NSC to build up a well functioning statistical system, able to produce statistics in the different areas required:

- for policy making by the Government and other planning authorities
- for evaluation of implemented policies
- for information to the public
- for international comparisons.

To fulfil the ambitions stated as national objectives, the NSC is supposed to

- develop the capacity to produce and to co-ordinate the production and dissemination of relevant, accurate and timely statistics to meet the needs of information from the Government, governmental institutions and the society at large,
- improve the capacity and capability to advise and supervise the production and dissemination of statistics within other departments, provincial governments and other organizations or enterprises,
- increase the capability to develop and improve the Lao statistical system to meet new demands of information.

The overall objectives for the Swedish supported project have been to assist the NSC

- to strengthen the organization and infrastructure through various capacity building actions,
- to develop the production of subject matter statistics in areas of priority, i.e. Economic Statistics and National Accounts, Agricultural Statistics and Social Statistics,
- to develop a system for household surveys.

To reach these objectives the project has concentrated on the following means of support

- improving the capacity of the NSC in terms of competence to apply modern methods in collecting, processing, analyzing and disseminating statistics in the areas of priority,
- developing and implementing plans for regular production of economic statistics,
- improving the system for household surveys and assist in on-going surveys,
- strengthening of the NSC capability aiming at sustainable self-management and development of the NSC.
- improving the organization in accordance with the new structure of the Lao Government.
- improving the organization in long-term planning and demand analysis
- enhancing the competence of the NSC's central and local staff through continuous training in subject matter areas, in data processing capacity and in data dissemination.
- upgrading the NSC competence in data processing, analysis and reporting.
- strengthening the system for in-house training at the NSC and the regional centers.

In the final phase of the project it will be necessary to consolidate the institutional strengthening. This will include a management-training programme for senior and middle management levels, and implementation of adequate planning and monitoring systems for the NSC.

### **6.3 Frame of cooperation**

The cooperation between Lao P.D.R. and Sweden has been formed as what is usually called institutional co-operation or twinning. Institutional co-operation between a developed and experienced institution and one in development has in general been proven to be an efficient mode of cooperation, which combines a long-term perspective with flexible support in many areas.

Institutional cooperation is carried out through a mix of different measures, long-term advisors, short-term advisors, study-tours, on-the-job training, courses, seminars, etc. In addition, the more experienced organization gives back up in technical and other matters like acquisition and installation of equipment. Partners in the cooperation have been NSC (SSC) and Statistics Sweden.

Subject matter projects funded/supervised by other external donor agencies have been incorporated in the project work plan. Hence the support from consultants as well as procurement of stationery and computer equipment, have been harmonized between those provided by the long-term project and other international organizations.

#### **6.4 Some achievements from the project**

Substantial progress has been achieved in the project. The concept of national statistics has been established in the society and the role of NSC is recognized. Earlier the duty of NSC was to satisfy the government planning activities. Today the duty also includes production of statistics for "the society" and for international organizations and the task of statistical analysis.

Today there exists a long-term plan for the development of NSC, organization as well as staff. In this area NSC, through the project, has developed its capacity substantially. NSC was in the beginning of the co-operation more or less a sleeping partner in the project planning phase with different donor agencies. Today the initiatives lie within NSC. This transformation has been accomplished to a great extent through "learning by doing".

Substantial progress has been achieved in the field of capacity building. However, there is not yet in Lao P.D.R a critical mass of professional staff of statisticians capable of working independently or capable of carrying out development tasks. This will be further addressed during the last phase of the cooperation project.

Also improving the knowledge on how to analyze and use data has been supported. Information seminars about statistics and training courses for users, mainly in ministries, have been conducted by NSC and will also be part of the future program.

NSC today plays a completely different role in the Lao planning society. NSC statistics are requested and used by domestic and international organizations. Statistical reports are given much attention in the newspapers. NSC workshops and seminars have many attendants. NSC has established a special Service division, thereby giving increased attention to marketing, publishing and other customer oriented efforts.

NSC also plays an obvious role in the international statistical network. The staff of NSC is sometimes requested to give lectures or participate as resource persons in international conferences and meetings, particularly in Asia and the pacific region.

#### **6.5 Experience of international cooperation**

The experience from Lao P.D.R. is, that development of statistics has gained a lot from the long-term cooperation with one specific very professional agency, in the Lao case with Statistics Sweden. This long-term arrangement gives a necessary continuity, which can not be reached in any other arrangement. Furthermore, cooperation with other organizations/donors has added to the knowledge and experience of the staff working in the area of statistics. However, it is important that all different activities do not compete for the same (human) resources, which can be the case in a small country with limited amount of statisticians.

Consequently, it must be emphasized that more *coordination* between different donors/agents still is needed. As an example can be mentioned that one area that could benefit from better coordination, is statistical computer software. Different organizations

provide training, and/or recommend certain software and even provide software, while other organizations seems to prefer, and give training in other software. We suppose there are pros and cons with all the different software, but we have not seen an evaluation or comparison to advise us which one to choose.

## **7. Statistical cooperation among the countries of the sub-region**

To be really useful, statistics must be compiled using internationally agreed standards, classifications and recommendations. Findings in statistical methodology, methods for data capture, storing and dissemination, as well as statistical analyses can and should be shared between countries. Training, in statistics as well as (for example) in IT, can be provided for people from more than one country at the time. Statistical management issues is another area where countries would gain from sharing experiences.

Consequently there seems to be a lot to benefit from cooperation between countries in the region. Cooperation can be accomplished in several ways: seminars, work-shops, study-tours, attachments with on-the-job training, courses, etc.

There is already experience from work-shops and other meetings arranged by ASEAN or neighboring countries. The Lao experience is that these meetings have been very fruitful, and we suggest that they continue. In our opinion the work-shops/meetings should be organized around specific subject matters, like National Accounts, Household surveys, Environment statistics etc. Countries should be asked to present papers describing for example specific methodological problems and the chosen solution (if any) to share practices with other countries and to discuss different possible solutions. Country practices in different fields could also be presented and other countries' views be obtained.

Furthermore, study-tours, for small groups, on specific topics to neighboring countries with similarities in the statistical environment can be useful. Such study tours may best be arranged via bi-lateral (or tri-lateral) contacts between the countries concerned.

## **8 Key issues in developing the national statistical systems in Lao PDR**

### **8.1. Continued strengthening of the institutional capacity in the overall statistical system**

The most important issues to be addressed are:

Improve the infrastructure of the national statistical system to get better coordination regarding standards, classifications, production and publication plans.

Enhance the national statistics systems by introducing sound statistical methodology

Strengthening the IT environment in the national statistical system

Make the NSC a sustainable organization, strengthening the management capacity and a capacity to change and develop future operations and for the overall statistical program

The Government believes that progress in strengthening the statistical system of Lao P.D.R. will only be achieved sequentially, in stages. Certain key actions that are implemented in earlier stages will be preconditions for progress at subsequent stages.

Given the current inadequate infrastructure for collecting and compiling a number of major macroeconomic statistics, the authorities will need to prioritize carefully the key actions identified. It is also necessary to pay attention to the fact that households and non-market transactions form an important role in the Lao economy, and that social concerns like poverty reduction strategies must have strong impacts on the national statistical system.

It is essential that the donor community endorses the development plan and become aware that other initiatives and ad-hoc proposals always will have negative impacts on the national system.

## **8.2 Continued need for capacity building of the national statisticians (human resource development)**

Develop the professional capacity of the NSC. As coordination and monitoring body of the national statistical system the NSC needs, on national and local levels (provinces and districts), a critical mass of statistical professionals to perform its duties. Extensive training in management issues and statistical methods according to a human resource development (HRD) plan has to be implemented.

A HRD plan is a long-term effort. A currently implemented phase includes:

Individual development plans for the NSC staff to enhance knowledge and skills in core areas of statistics and IT.

Individual development plans for staff selected for certain specialist functions such as IT management, financial management, HRD, and management of commercial activities

In-house training in support of implementation of new management tools (e.g. annual integrated planning) and training of management skills of the NSC managers.

Statistical methodology will be one of the main areas for improvements during the next decade. There is a need to upgrade statistical capacity, more specifically in sampling and estimation techniques and data analysis. During the last decade the Lao statisticians have achieved great experience in conducting household sample surveys. In order to further improve the capability to provide relevant, reliable and timely social statistics in a cost-effective manner, it will be necessary to concentrate efforts mainly on the management side of survey operations.

Sampling methodology and in particular sampling from business register will become a key development area. With sampling follows estimation techniques, handling of non-responses, partially non-responses and calculation of variances.

Data analysis is another key development area. The economic statistics in particular is mainly based on time series. Training in econometrics or time series analysis will therefore be on the agenda in the coming years.

Documentation of surveys through a set of statistical metadata is considered essential. International standards for metadata should be adopted, i.e. describing different quality aspects of data in a survey.

In development of statistics and the methods used, internationally agreed recommendations, standards, nomenclature and classifications adapted to Lao conditions and needs should be followed.

The capacity in data processing and managing the IT environment also needs to be upgraded.

### **8.3 Improved coordination**

NSC is the main statistical agency and has been given a coordinating mandate in the current statistical decree. However, the NSC is still in the process of putting into effect the procedures required to institutionalise a modern statistical system for generating adequate statistics that meet analytical and policy needs. Effective coordination between the various producers is not in place and the coordination between statistics needed for government policies and donor generated demand is weak.

Developing and endorsing a statistical program for important policy areas should help the NSC to implement coordination mechanisms. The donor community should support such a plan and should become aware that other initiatives and ad-hoc proposals always will have negative impacts on the national system.

The Government would like the NSC to assist in and encourage informed decision making, research and discussion within the Government and the community, by providing high quality, objective and responsive national statistical services.

In order to perform this mission, the NSC must continue to establish and develop contact forum with users, advisory committees, user groups, conferences and seminars and day-to-day contacts.

### **8.4 Dissemination policy**

There is a need to implement a dissemination policy as a guide how to release statistics data.

The ways and means of dissemination of statistics determine whether different users can use statistics effectively. The dissemination policy of a central bureau of statistics is of the greatest importance for the overall functioning of the system of official statistics because the policy establishes the connection between the producer and the user side of the system.

A very important assumption now held by most advanced statistical institutes is that the recent and very rapid development of the Internet technology changes the modalities for the dissemination of official statistics in radical ways.

The general guideline in any dissemination policy for official statistics is that official statistics should be made available not only in the detailed form that suits the (few)



advanced users but also in other summary forms with results explained and highlighted to serve the general public.

A comprehensive publication plan should tell users when and by whom statistics in different subject matter areas will be published.

### **8.5 Improved legal framework**

The Government adopted a new Statistical Act in 2002. The new act will clearly have an important impact on efforts to strengthen social and economic statistics in Lao P.D.R. The act gives NSC a strong coordination role and NSC has put in place a regular user-producer workshop to discuss statistics plans and other issues.

After a review of the effectiveness of the 2002 decree, further improvements of the decree might be necessary to implement, such as drafting a Law to give the NSC and its partner agencies greater authority in the operations of the national statistical system. In particular, revised legislation may embrace the establishment of principles of professional independence, and the use of international standards in producing and disseminating data.

### **8.6 To reach a sustainable statistical system considering limited financial and human resources**

The current statistical system in Lao P.D.R. involves several agencies. Except the NSC, most line ministries, and at the local level statistical offices that either sort under the CPC or under ministries. At present, the NSC does not have the human or financial resources to implement a full program, fulfill its coordinating role, manage an overall statistical program and satisfy donors' generated demands.

Except that the role and mandate of the NSC could be defined more clearly, an important issue is to achieve a sustainable system of national statistics that satisfy the most important needs, at a level of acceptable quality.

International requests have implications on national systems of statistics. Following established concepts and standards is one part, "textbook" approaches are essential for many areas of statistics. Lists of social concern are frequent. For instance the Lao P.D.R. should be able to provide indicators according the UNDP Initiative for the Achievement of Millennium Development Goals.

## **9. Work plan**

### **9.1 Considerations**

The overall plan is to further strengthen the national statistical system of Lao P.D.R. in order to achieve a sustainable system for producing and disseminating consistent statistical information on a regular basis. Consistent and transparent statistical information will also contribute to the strengthening of the democratic development by highlighting the situation of different ethnic groups, women and children. The information will be made available for use by the government and its agencies, for public and private organisations and for enterprises, mass media, researchers and the general public. It will contribute to better planning of economic and social activities, thus in the long run giving benefits to the people of Lao P.D.R.

The national system of statistics is decentralised and the provinces and line ministries use the reporting system as the main source of statistics. In some areas the quality of this statistics is questioned and missions to some line ministries has confirmed quality problems. As the reporting system is fundamental in the Lao society and the only source for statistics at a low regional level it will be used also in the future. A lesson learned is that it is not easy and probably not appropriate to try to reform this large administrative system from the outside. A desirable change would take considerable time. Therefore other systems of data collection have to be considered.

The plan now is to develop and implement a small but fairly complete system of statistics. This system should be seen as complementary to the reporting system. The main elements are regular enterprise and household surveys.

The national statistical system with the reporting system has to be addressed in order to achieve changes. The experience is that the knowledge of statistical methodology, standards and classifications in the national system has to be increased. To reform the reporting system “from the inside” is a task for the officials of the statistical units at the ministries and in the provinces. Therefore they need the knowledge about strengths and weaknesses of the system.

The main efforts concerning other government producers of statistics than NSC (line ministries and provinces) will be educational programs and strengthened infrastructure in terms of data collection possibilities and technical connections to NSC's IT system. Better co-ordination of production and publication plans and adoption of recognised standards and classifications will be the objectives in the overall national system.

## **9.2 Strategy**

The strategy for the coming years will be to improve the national statistics along three main lines:

- ❑ improve the statistics in the socio-economic field, towards a regular production of high quality, timely statistics,
- ❑ improve the infrastructure of national statistics, generally understood as knowledge of statistical methods, classifications and standards, access to survey statistics, business register, and connections to databases through modern IT, and
- ❑ provide management skills to the NSC to strengthen their capacity in the coordination role.

These three lines are not exclusive or independent from each other. They are supposed to interact and support each other.

## **9.3 Content of plan**

### *A. To improve the statistics in the socio-economic field*

The main effort will be to form a regular statistical production system that is consistent. The system will consist of the following:

-to develop financing and banking statistics such as: budgetary, grant, export-import, external debt statistics in regularly reporting system;  
to develop social demographic, health, education, labor market and poverty statistics.  
See detail activities in annex 2.

### *B. To improve the infrastructure of the national system*

A regular and long-term aiming educational program for all national statisticians will be performed. The courses will be given annually by NSC and cover theoretical/methodological and practical elements of statistics. Other providers of statistical training, like SIAP, will also be used. Strong and weak sides of different methods will be analysed and compared. With an increased awareness at the ministries and provinces, achievements will be made in terms of co-ordination procedures, common standards and classifications, co-ordinated production and publication plans.

The infrastructure for data collection will be enhanced through the introduction of the annual household survey as a vehicle for data collection, to be used by all government agencies, especially the line ministries. Special SIDA funding is available to promote this infrastructural effort.

- ❑ Upgrading of the IT environment with new equipment and modern, standardised software will continue. A well trained IT team and management will maintain the system and ensure sustainability.
- ❑ Some provinces and ministries will be connected to the IT system of the NSC. The IT-environment in the district statistical offices will be strengthened.
- ❑ A Master Publication Plan for the national statistics of Lao P.D.R. will be developed and implemented. The publication plan will give information about responsible organisation and when data will be available.
- ❑ Users and producers of statistical data will be exposed to statistical thinking through seminars and workshops. User demands will be expressed as a help to improve the statistical products.
- ❑ Users and producers will be made aware of the new Statistical Decree.

### *C. To strengthen the National Statistical system in terms of professional capacity and management skills.*

NSC as the co-ordinating and monitoring body of the national statistical system needs a critical mass of statistical professionals and management skills to perform its duties. Extensive training in management issues and statistical methods according to a human resource development plan will be carried out to vertical line as provinces, districts and villages and also to the line ministries and business establishment.

## ANNEX 1.

### **SHORT TECHNICAL PAPER**

#### **STATISTICS SYSTEMS OF THE BANK OF THE LAO PDR (BOL)**

##### Background

The Bank of the Lao PDR compiles Monetary and Financial Statistics (MFS) in order to analyze and design monetary instruments in each period. However, the compiling and analyzing MFS procedures have had so many difficulties due to insufficiency of laws and regulations as well as capability of staff who are in charge. There are only 9 staff in charge of compile and analyze data in the Economic Research Department.

IMF's Monetary and Financial Statistics Manual (MFSM) was applied in compiling Monetary and Financial Statistics (MFS), which are mainly from the BOL, and 13 commercial banks. The MFS descriptions, coverage of the accounts have been improved following the recommendation of MFSM to add more sub-description in the chart of account by classification, sectorisation, and currency breakdown.

Balance of Payments Statistics (BOPS) have been compiled since 1991 following the BPM4 recommendation of IMF and adapt to BPM5 since 2000.

BOL is coordinate and exchange the data with other government agencies to serve the macro-economic policy management and publish its own Annual Report. In addition, BOL provide monthly, quarterly and annually MFS and BOPS to the IMF, ADB, ASEAN Secretary and other international organizations.

## **Issues**

BOL had received TA for improving the statistics capacity from international and regional organizations such as IMF, ADB, ASEAN, and Japan. However, we are still facing some difficulties such as fitting demonstration of the fruits of our collection efforts. Furthermore, the fact that we are limited sources of fund especially for improving statistics infrastructure such as the program for collection and compilation data, computer network systems, and creates the necessary documents. Therefore, this statistics are not useful for policy maker in term of time lag and accuracy. The followings are the main issues of MFS and BOPS:

- Could not clarify of account descriptions and record of Fund account;
- No understanding regarding residency concept among accounting staff;
- No chart of accounts manual;
- Lack of effective computer systems;
- The institute obstacles as lack of the law, the collection procurement guideline and compilation manual, and inadequate the competent officials; and
- Limited data sources effects to the quality of statistics.

## **Plans for Improvement**

- Improving the coverage and measurement data for MFS and BOPS consistent with the recommendation in the MFSM and BPM5;
- Improving the statistics infrastructure;
- Improving the collection system;
- Preparing the accounting manual for MFS and collection procurement guideline and compilation manual for BOPS;
- Increasing the cooperation and coordination with relevant agencies; and
- Enhancing capacity on collection procurements and compilation methodology by providing training to staff.

To implementation these plans we would need TA on collection procurements and compilation methodology, conducting the survey forms and computer program for collection and compilation statistics.